Department of Finance

News Release

Immediate release

Ottawa, March 18, 2007
2007-021

The Goal of Budget 2007 Is to Make a Stronger, Safer, Better Canada

Whitby – The Honourable Jim Flaherty, Minister of Finance, will deliver the second budget of Canada's New Government tomorrow in the House of Commons. Budget 2007 will restore fiscal balance within the Canadian federation, outline a series of initiatives to protect the environment and further reduce the tax burden on working families and businesses.

To mark the occasion and to support small business, Minister Flaherty purchased a pair of Canadian-made skates for his son John at "Blades," an independent sporting goods retailer in Whitby, Ontario. Approximately 97 per cent of all Canadian businesses are small businesses, which are responsible for half of all the new jobs created in Canada.

"Budget 2007 is about providing Canadians with greater freedom to save or purchase things that are important to them and their families, like skates," said Minister Flaherty. "Canada's New Government believes taxes are still too high, and in Budget 2007 we intend to build upon the tax reductions made last year for the benefit of families, students, workers and seniors."

In last year's budget, Canada's New Government provided nearly $20 billion in tax relief over two years, more than the last four federal budgets combined. There were 29 separate tax reductions in every area the Government collects revenue—consumption taxes, income taxes, business taxes and corporate taxes.

Budget 2007 will also help Canada achieve the advantages set out in the Government's new long-term economic plan, *Advantage Canada*. The plan, released last November, will make Canada a world leader in five specific areas:

- A **fiscal advantage**, by reducing federal debt, thus contributing to the objective of eliminating Canada's total government net debt in less than a generation.
- An **infrastructure advantage**, by building modern, world-class infrastructure that ensures a seamless flow of people, goods and services over our roads and bridges and through our ports, gateways and public transit networks.

- An **entrepreneurial advantage**, by reducing unnecessary regulation and red tape and increasing competition in the Canadian marketplace.
- A **knowledge advantage**, by creating the best-educated, most-skilled and most flexible workforce in the world.
- A **tax advantage**, by reducing taxes for all Canadians and establishing the lowest tax rate on new business investment in the Group of Seven (G7).

"We have a strong team in Ottawa that will continue to focus on getting things done for working families and businesses," said Minister Flaherty. "The goal of Budget 2007 is to build on the tremendous progress our government has made over the past 13 months and make a stronger, safer, better Canada for people in every part of this great country."

For further information, media may contact:

Chisholm Pothier
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

www.fin.gc.ca

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